## Message Text

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INFO OCT-01 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /101 W

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R 141822Z FEB 77 FM USMISSION EC BRUSSELS TO SECSTATE WASHDC 3019 INFO USMISSION GENEVA

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E. O. 11652: N/A
TAGS: ETRD, EMIN, EEC, US
SUBJECT: COMMUNITY'S INTERPRETATION OF GATT ARTICLE XIX ON
RETALIATION ON SPECIALTY STEEL

REF: EC BRUSSELS 1386

- 1. DURING A RECENT DISCUSSION ON SPECIALTY STEEL, FIELDING LET DROP THAT THE COMMUNITY HAD PREPARED CONTINGENCY PLANS FOR RETALIATION SHOULD THE UNITED STATES CONTINUE TO MAINTAIN UNCHANGED IMPORT QUOTAS ON SPECIALTY STEEL.
- 2. FIELDING, WHO SEEMS TO BE SUPPORTED BY HIJZEN, SAID THAT THE COMMUNITY'S INTERPRETATION WAS THAT A SAFEGUARD ACTION UNDER GATT ARTICLE XIX HAD TO BE ON AN MFN BASIS. (WE NOTE FROM THE ANALYTICAL INDEX OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE, MARCH 1970, PAGE 108, POINT 5(B) THAT THIS INTERPRETATION CORRESPONDS TO THE HAVANA CHARTER INTERPRETATIVE NOTE AD ARTICLE 40.) HOWEVER, ACCORDING TO LIMITED OFFICIAL USE

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FIELDING, THE COMMUNITY ALSO INTERPRETS ARTICLE XIX 3(A) TO MEAN THAT RETALIATION AGAINST SUCH A SAFEGUARD ACTION DOES NOT NEED TO BE ON MFN BASIS. WE EXPRESSED SOME SKEPTICISM AT THIS INTERPRETATION.

2. WE DO NOT KNOW WASHINGTON'S VIEWS ON THIS POINT, BUT FIELDING'S STATEMENT CAME AS A SURPRISE TO SOME OF US.

|           | Margaret P. Grafeld | Declassified/Released | US Department of State | EO Systematic Review | 22 May 2009 |
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## Message Attributes

Automatic Decaptioning: X

Capture Date: 01-Jan-1994 12:00:00 am Channel Indicators: n/a **Current Classification: UNCLASSIFIED** 

Concepts: STEELS, IMPORT QUOTAS Control Number: n/a

Copy: SINGLE Sent Date: 14-Feb-1977 12:00:00 am Decaption Date: 01-Jan-1960 12:00:00 am

Decaption Note: Disposition Action: RELEASED Disposition Approved on Date:
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